end of the capped bill program the cumulative bill difference **540** is positive at the end of the capped bill program. Financial entities offering this product may use a payment from risk management instruments **570** to pay all, a part or more than the amount of the actual consumer bill **520** that exceeds the capped bill amount **510**. In some cases however, the risk may be absorbed by the offeror. The payment from risk management instruments **570** may be remitted, for example, to a risk management contractor or directly to the supplier of the product covered by the capped bill program, such as a utility company in the case of a capped energy bill or a bank or mortgage company in the case of a borrowing.

[**0056**] **FIG. 5** represents the cash flows to and from the consumer during the performance of a capped bill program when the total amount of the consumer's actual bill is less than the total capped bill amount as well as the cash flows from the risk management instruments during the same period. For the sake of simplicity, the capped bill term is shown as a series of four quarterly payments, although it could consist of any number of payments agreed upon in the capped bill contract. In this example, the four payments are all part of a single capped bill period.

[**0057**] The capped bill amount **610** represents the amount a customer pays in each of the payment periods. The total of the capped bill amount **610** is the maximum amount the customer will pay for the capped bill during the capped bill program term. The actual consumer bill **620** is the actual amount of the consumer's bill during the same capped bill program term. The bill difference **630** is calculated by subtracting the capped bill amount **610** from the actual consumer bill **620**. The cumulative bill difference **640** accumulates the individual bill difference **630**. In this example the cumulative bill difference is negative. The total cumulative bill difference **640** is multiplied by the credit percentage **650**. The resulting credit to customer **660** is then refunded to the customer. If the cumulative bill difference **630** is positive at the end of the capped bill program, this represents the payment from risk management instruments **670** that will pay the amount of the actual consumer bill **620** that exceeds the capped bill amount **610**. The payment from risk management instruments **670** may be remitted, for example, to a risk management contractor or directly to the supplier of the product covered by the capped bill program, such as a utility company in the case of a capped energy bill or a bank or mortgage company in the case of a borrowing. As in the example in **FIG. 5**, there are numerous variations on capped bill periods that may be used.

[**0058**] In one embodiment of the present invention, the capped bill may be offered with an insurance component. In such an embodiment, a premium is paid that may be used, in whole or in part, to purchase risk management instruments. In various embodiments, the premium is paid by consumers, is embedded in the capped bill product, is paid by a provider such as a utility company or an energy provider, and/or is paid by a third party (e.g. an energy assistance agency). In exchange for the payment of the premium, a party or entity agrees to pay the excess bills over a specified dollar amount (i.e. a capped amount) for a covered period and/or the entity agrees to pay the excess product (e.g. energy) used over a capped amount (e.g. a capped payment, rate, or price that is capped at a predetermined amount) for the covered period.

[**0059**] In various embodiments, the payee, or beneficiary, of proceeds in the form of damages may be, for example, the consumer, a provider such as a utility company or an energy provider, or a third party such as a social agency. Thus, in one embodiment and by way of example, if a consumer pays quarterly bills of $125, $100, $150, and $100, and the consumer's quarterly bill is capped at $100 per quarter, the consumer (or a third party that paid the bills on behalf of the consumer) may receive a refund in the form of insurance proceeds from a risk management instrument or instruments in the amount of $75. Alternatively and in another embodiment, by way of example if the consumer's bills are capped at $100 per quarter and the consumer pays quarterly bills of $100 each quarter but the actual consumer bills per quarter were $125, $100, $150, and $100, the energy provider or a utility may receive a refund in the form of insurance proceeds from a risk management instrument or instruments in the amount of $75.

[**0060**] In one embodiment, the insurance proceeds may not cover the entire difference between the capped amount and the actual amount. For example, if a capped energy bill amount is set based on various factors, including consumer behavior and weather-related factors, and the consumer changes its behavior, the insurance proceeds may only cover a portion of the difference between the capped amount and the actual amount (i.e. the portion attributed to weather and not consumer behavior).

[**0061**] In various embodiments, the reporting and payment of losses pursuant to the insurance product may be made at various times. For example, payment and reporting may be made after a bill occurs, payment and reporting may be based on factors such as, for example, weather or energy prices coincident with a bill, and/or payment and reporting may be made in anticipation of a bill given factors such as, for example, weather or energy prices. Payment may be made, in various embodiments, coincident with a period in which bills are capped, after the capping period, or after a bill has been paid.

[**0062**] In one embodiment, the capped bill offer generation module **230** may determine the amount of premium that is to be paid in connection with the capped bill offering.

[**0063**] It can be understood that the systems and methods of the present invention may be implemented using, for example, any suitable type of computer hardware, software, or combination thereof. Such software may be coded in any suitable computer programming language such as, for example, C or C++ using, for example, conventional or object-oriented techniques.

[**0064**] Although the present invention has been described herein with reference to certain embodiments, numerous modifications and variations can be made and still the result will come within the scope of the invention. No limitation with respect to the specific embodiments disclosed herein is intended or should be inferred.

We claim:

1. A method of providing one of a good or a service to at least one entity at one of a payment, rate, or price that is capped at a pre-determined amount, comprising:

producing an offer for the entity, wherein the offer represents one of a capped maximum payment, a capped maximum rate, or a capped maximum price amount;